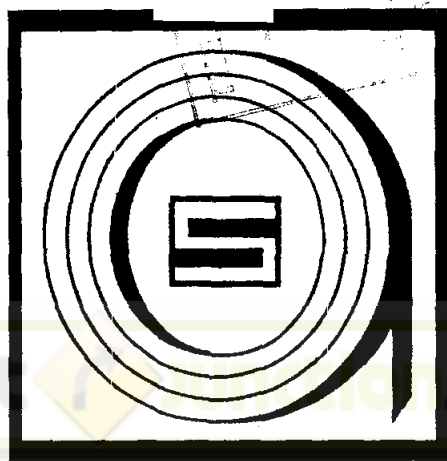


ATMA STEELS LIMITED



28th

*Annual Report
1999-2000*

ATMA STEELS LIMITED

BOARD OF DIRECTOR	:	Shri Harbhajan Singh Shri Deepak Singh Shri Ravi Kathpalia Shri Bansi Ram	Mg. Director Director Nominee-BIFR Director
BANKERS	:	BANK OF BARODA Gandhi Nagar, Ghaziabad	
AUDITORS	:	B.K.Kapur & Co. Chartered Accountants 17, Navyug Market, Ghaziabad	
REGISTERED OFFICE AND WORKS	:	C-139-142, Industrial Area - 1 Bulandshahar Road, Ghaziabad	

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ATMA STEELS LIMITED

REGISTERED OFFICE :
C-139-142, Industrial Area - 1
Bulandshahar Road,
Ghaziabad

NOTICE

NOTICE is hereby given that the **28th Annual General Meeting** of the Members of the Company will be held on Thursday, the **28th Sept., 2000 at 10.30 A.M.** at the Registered Office of the Company C-139-142, Industrial Area-1, Bulandshahar Road, Ghaziabad to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as on 31st March, 2000, and the Profit and Loss Account for the Financial Year ended on that date together with the Report of the Directors and Auditors' thereon.
2. To appoint a Director in place of Shri Bansi Ram, who retires at this Meeting, but being eligible offers himself for re-appointment.
3. To appoint a Auditors and to fix their remunerations. M/s.B.K.Kapur & Co., Chartered Accountants, the retiring auditors being eligible, offers themselves for re-appointment.

SPECIAL BUSINESS

4. To consider and if thought fit to pass with or without modifications the following resolution as an ORDINARY RESOLUTION :
"RESOLVED THAT in accordance with the provisions of Sections 198, 269 and 309 read with Schedule XIII and all other applicable provisions if any, of the Companies Act, 1956 (including and statutory modification or re-enactment thereof for the time being in force) the consent be and is hereby accorded to the appointment to Shri Harbhajan Singh, as Managing Director of the Company for a period of 5 (five) years with effect from 1st December, 1999, without any remuneration. However, he shall be entitled to the following perquisites :-

- | | | | |
|------|---------------|---|---|
| i) | Accommodation | : | Company's House i.e. 57, Golf Links, New Delhi. |
| ii) | Telephone | : | Company's Telephones at Office and Residence. |
| iii) | Car | : | Car for Company Work. |

BY ORDER OF THE BOARD
for ATMA STEELS LIMITED

PLACE : NEW DELHI
DATE : August 28, 2000

(HARBHAJAN SINGH)
MANAGING DIRECTOR

NOTES :

1. A Member entitled to attend and vote at the Annual General Meeting is also entitled to appoint a proxy to attend and to vote instead of himself/herself and the proxy need not be a Member of the Company. Proxies in order to be effective, must be received by the Company not less than 48, hours before the meeting. A blank proxy form is enclosed herewith.
2. The Register of Members & Share Transfer Books of the Company shall remain closed from 27th Sept., 2000 to 28th Sept., 2000 (both days inclusive).
3. Members are requested to inform the Company immediately the changes, if any in their Registered address alongwith Pin code No.
4. All documents referred to in the accompanying Notice and copy of Balance Sheet as at 31.03.2000 and Profit & Loss Account for the period ended on that date are open for inspection at the Registered Office of the Company during office hours on all working days between 11.00 A.M. to 1.00 P.M. upto the date of Annual General Meeting.
5. Members who wish to seek clarification/information on the Annual Accounts at the Annual General Meeting are requested to forward their queries so as to reach the Company atleast 10 days before the meeting, so that relevant clarification/information is collected and kept ready.

EXPLANATORY STATEMENT

(Pursuant to Section 173 (2) of the Companies Act, 1956, forming part of the Notice)
Shri Harbhajan Singh was appointed as Managing Director w.e.f. 01.12.1999 by the Board in its meeting held on 29.10.1999 on the terms and conditions mentioned in the resolution. As per provisions of Schedule XIII of the Companies Act, 1956, approval of shareholders is required, hence the resolution.
Your Directors recommends the passing of the resolution.
None of Directors except Shri Harbhajan Singh himself and Shri Deepak Singh being relative of Shri Harbhajan Singh interested in the resolution.

BY ORDER OF THE BOARD
for ATMA STEELS LIMITED

PLACE : NEW DELHI
DATE : August 28, 2000

(HARBHAJAN SINGH)
MANAGING DIRECTOR

ATMA STEELS LIMITED**DIRECTOR'S REPORT**

TO
THE MEMBERS,
ATMA STEELS LIMITED.

The Directors present their 28th Annual Report on the operations of the Company together with the audited Statement of Accounts for the year ended March 31, 2000.

	(Rs. in Lakhs)	
	<u>Current Year</u>	<u>Previous Year</u>
Sales & Other Income	0.01	0.05
(Loss)	(1039.78)	(779.85)
(Add)/Less :		
Previous Years adjustments (Net)	(0.32)	(2.17)
(Loss) Brought Forward	(3094.72)	(2312.69)
(Deficit) carried forward		
to Balance Sheet	4134.82	(3094.71)

DIVIDEND

In view of losses, the Directors express their inability to recommend any dividend.

OPERATIONS

Since the factory is under closure, there were no sales. The expenses were to the tune of Rs. 23.71 Lakhs mainly due to legal expenses Rs.4.80 Lakhs and employee benefit and remuneration of Rs.8.12 Lakhs. Further provision made during the year for diminution in value of stock Rs.36.65 Lakhs, Provision for Doubtful Debts Rs.557.08 Lakhs, Provision for Doubtful Advances Rs.303.92 Lakhs, Provision for diminution in long term investments Rs.3.00 Lakhs and depreciation provided during the year was Rs.115.42 Lakhs.

Total Net Expenditure & Provision during the year comes to Rs.1039.78 Lakhs (excluding previous year adjustments of Rs.0.32 Lakhs).

CLOSURE OF FACTORY AND FUTURE OUTLOOK

As already informed in the last report factory is under closure. As till date Company has not got any relief from Bank/ B.I.F.R. it could not run the unit. I.F.C.I., the operating agency has submitted their report to B.I.F.R. based on which B.I.F.R. instructed the operating agency to give advertisement for change of Management and seek fresh proposals for revival of the Company. B.I.F.R. in their order also mentioned that if the existing promoters come out with some other proposal the same shall be considered on priority. Your Company requested B.I.F.R. to allow sale of some of the Fixed Assets in order to settle the dues of the A.I.F.I which was not approved. The Company went into appeal with A.I.F.R. A.I.F.R. heard the appeal and directed the B.I.F.R. to consider the sale of assets subject to court clearances if any required and decided the manner in which it can be done. B.I.F.R. is now take further action in the matter. Company has already submitted its revised proposal to B.I.F.R. Company's future working now depends upon the acceptance of revival package by B.I.F.R.

DEPOSITS

The Company has not accepted any deposit from the public.

ATMA STEELS LIMITED

DIRECTORS

During the period under review, Shri Bansi Ram, Director of the Company retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

PERSONNEL

The Board wish to express its appreciation to all employees of the Company for their support and co-operation to the Company during this difficult period.

The claims of certain Employees retrenched upon closure of factory, have been settled, and for the remaining it is being in the process of settlement.

Information in regard to Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules 1975, has not been given since no employee of the Company was in receipt of remuneration for which information is required to be given.

CONSERVATION OF ENERGY, TECHNICAL ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Information required pursuant to Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 relating to the matter contained therein is not applicable as the factory was under closure & there was no production activity during the year. Further, your company has neither earned nor incurred any amount in foreign exchange.

SUBSIDIARY

The Company does not have any subsidiary company.

AUDITORS

The Auditors M/s. B.K. Kapur & Co. Chartered Accountants, retire at the conclusion of this Annual General Meeting and eligible for re-appointment. They have furnished certificate to the effect that their re-appointment, if made, would be within the limits prescribed under section 224 (1 B) of the Companies Act, 1956.

AUDITORS' REPORT

The Auditor's observations are self explanatory and, therefore, do not call for any further comments. Further, Auditors' observations in other paras of their report are noted by the Board for due compliance, wherever required.

ACKNOWLEDGMENTS

Your Directors wish to place on record their appreciation for the co-operation extended by the Government, Financial Institutions, Bankers, B.I.F.R., A.I.F.R. and other Agencies during this period.

We also deeply acknowledge and appreciate the continued trust and confidence reposed by the Shareholders of the Company.

On Behalf of the Board of Directors

(DEEPAK SINGH)
Director

(HARBHAJAN SINGH)
Managing Director

PLACE : NEW DELHI
DATE : August 28, 2000

ATMA STEELS LIMITED**AUDITORS' REPORT****TO THE SHAREHOLDERS OF ATMA STEELS LIMITED**

We have audited the attached Balance Sheet of **ATMA STEELS LIMITED** as at 31st March, 2000 and also the Profit and Loss Account for the year ending on the even date annexed thereto.

1. As required by the Manufacturing and other Companies (Auditor's Report) order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks and examination of the books and records of the Company as are considered appropriate, and the information and explanations given to us during the course of audit, we report that.
 - i) As informed to us, the company has been maintaining proper records showing full particulars including quantitative details and situation of its fixed assets. However, these records have not been made available to us for our verification. We are informed that no physical verification of the fixed assets could be carried out during the year by the management. In view of this, question of noticing by the management of any discrepancy between book records and physical verification, does not arise.
 - ii) None of the fixed assets of the company have been revalued during the year.
 - iii) As informed to us, physical verification in respect of finished goods, good-in-process, stores, spare parts and raw material could not be conducted during the year by the management.
 - iv) In view of the fact inventory could not be physically verified during the year by the management, our comments on Paragraphs 4 A (iv) and 4 A (v) of the order regarding reasonableness and the adequacy of procedures and discrepancy in physical verification as compared to books records respectively, are not required.
 - v) On the basis of our examination, the valuation of stocks is fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the preceding year.
 - vi) The Company has taken interest free unsecured loans from companies in which directors are interested. In our opinion the terms and conditions of such loans, prima facie are not prejudicial to the interest of the Company. Except above, no other secured or unsecured loans have been taken by the Company from firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. As informed to us by the management, there is no Company under the same Management, as defined under section 370 (IB) of the Companies Act, 1956.
 - vii) The Company has granted interest free unsecured loans having maximum balance at any time during the accounting year at Rs. 19.05 Lakhs to a Company in which directors are interested. In our opinion the terms and conditions of such loans, except these are interest free, are not prima facie prejudicial to the interest of the Company. No secured or unsecured loans, other than as stated above, have been granted by the Company to firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.

As informed to us by the management, there is no Company under the same Management, as defined under section 370 (IB) of the Companies Act, 1956.
 - viii) Interest free loans or advances in the nature of loans, have been given by the Company to certain parties as well as to its employees. There are no stipulations for the time being as regards to their repayment.